UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

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APPROVAL OF LARGE-SCALE UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA

Project title and number:	Assistance to the Ministry of Finance and Planning (URT/78/002)
Executing Agency:	United Nations
Government co-operating agency:	Ministry of Finance and Planning
Date of approval:	June 1978
Starting date for project operations:	September 1978
Duration:	Three years
Estimated value of the Government input in US dollars:	$102 300 (In kind)
Estimated UNDP contribution:	$1 219 800
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. The planning machinery in Tanzania has developed substantial capacity over the last decade but has to adjust constantly to growing requirements and to face new tasks as the total amount of investment in development projects increases rapidly. Compared to T. Shs. 926 million in 1972-1973, it has risen to T. Shs. 3,860 million in 1977-1978. External resources represent close to 60 per cent of the 1977-1978 Development Budget and they have risen from T. Shs. 518 million in 1972-1973 to T. Shs. 2,227 million in 1977-1978, financing about 450 development projects throughout the country. The issue of external aid co-ordination has become increasingly pressing and is considered of great importance both by the Government and by the donors.

2. The efficient monitoring of project implementation is more and more recognized as a vital mechanism in the over-all planning process in Tanzania. Until 1975, it was hardly taken care of. A step forward was realized with the setting-up in that year of a modest unit (Disbursement Unit) attached since 1976 to the Accountant General's Division in the Ministry of Finance and Planning. However, the problem of monitoring an increasingly large number of development projects goes much beyond the disbursement aspect and the Government is resolved to cope with the full range of issues involved in efficient project implementation, monitoring and follow-up. A new Unit has been established with that purpose in the Ministry of Finance and Planning.

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3. Another urgent problem to be addressed stems from the important part the parastatal organizations are expected to assume in development planning. They manage about one-third of total investment and the control of their increasing activities is a challenge to the Ministry of Finance and Planning which has not yet gained the experience required for such a very diversified and technically highly complex task.

4. There is an acute shortage of manpower in certain divisions of the Ministry of Finance and Planning. This project will strengthen the divisions of External Finance, Budget and Public Investment, and the Project Implementation and Monitoring Unit in carrying out their tasks. It will also provide training in planning techniques, budget control, channelling, monitoring and controlling of foreign assistance.

II. The project

5. The development objective is to achieve self-sufficiency in the over-all development process, to ensure optimum utilization of public investment and external assistance and to efficiently control the implementation of development programmes and projects in accordance with the objectives of the Third Five-Year National Development Plan 1976-1981.

6. The immediate objective of the project is to strengthen through the provision of expertise, the Divisions of External Finance, Public Investment, and Budget, and the Project Implementation and Monitoring Unit of the Ministry of Finance and Planning in the execution of their planning, controlling and managerial functions. The project also aims at up-grading the managerial and planning capabilities of finance and planning officers and improving the technical knowledge in planning techniques through local and overseas training.

7. UNDP will provide, through the Executing Agency, for the services of 5 experts and consultants in external financial planning, economic planning, economic and financial analysis; training; equipment and miscellaneous costs. The Government will provide the necessary national and administrative support staff and premises.

8. The expenditure components of the UNDP contribution are as follows:

	m/m	$
Expert services	191	889 074
Training		257 330
Equipment		57 396
Miscellaneous		16 000
		1 219 800

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